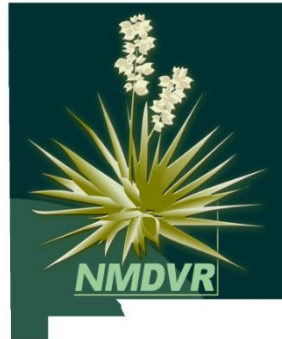


New Mexico Division of Vocational Rehabilitation



Fiscal Year 2017 Appropriation Request

LEGISLATIVE FINANCE COMMITTEE

OCTOBER 29, 2015

FY17 Appropriation Request – DVR TOTAL

- The mission of the New Mexico Division of Vocational Rehabilitation is to encourage and assist New Mexicans with disabilities to reach their goals to work and live in their communities.
- DVR's FY17 budget request totals \$46.6 million. Approximately 83% of our funding is provided by the federal government.
- DVR has 297 FTE statewide:
 - 200 - Rehabilitation Services Program
 - 1 - Independent Living Program
 - 96 - Disabilities Determination Services Program

FY17 Appropriation Request – DVR TOTAL

<u>Revenue</u>	FY16 Operating Budget	FY17 Appropriation Request	FY17 Rqst Over / (Under) FY16 OpBud
General Fund	\$ 5,693.0	\$ 6,569.0	\$ 876.0
Other Transfers	\$ 466.0	\$ 0.0	\$ (466.0)
Federal Funds	\$ 40,721.1	\$ 39,096.8	\$ (1,624.3)
Other Revenue	\$ 0.0	\$ 0.0	\$ 0.0
<u>Fund Balance</u>	<u>\$ 300.0</u>	<u>\$ 0.0</u>	<u>\$ (300.0)</u>
Total	\$ 47,180.1	\$ 45,665.8	\$ (1,514.3)

Expenditures

Pers Svs / Emp Bens	\$ 19,005.5	\$ 19,149.9	\$ 144.4
Contractual Services	\$ 1,339.4	\$ 5,885.0	\$ 4,545.6
Other	\$ 26,835.2	\$ 20,630.9	\$ (6,204.3)
<u>Other Financing Uses</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Total	\$ 47,180.1	\$ 45,665.8	\$ (1,514.3)

FY17 Appropriation Request – REHABILITATION SERVICES

<u>Revenue</u>	FY16 Operating Budget	FY17 Appropriation Request	FY17 Rqst Over / (Under) FY16 OpBud
General Fund	\$ 4,408.9	\$ 5,284.9	\$ 876.0
Other Transfers	\$ 466.0	\$ 0.0	\$ (466.0)
Federal Funds	\$ 23,357.5	\$ 21,643.5	\$ (1,714.0)
Other Revenue	\$ 0.0	\$ 0.0	\$ 0.0
<u>Fund Balance</u>	<u>\$ 300.0</u>	<u>\$ 0.0</u>	<u>\$ (300.0)</u>
Total	\$ 28,532.4	\$ 26,928.4	\$ (1,604.0)

Expenditures

Pers Svs / Emp Bens	\$ 12,629.5	\$ 12,762.6	\$ 133.1
Contractual Services	\$ 787.0	\$ 2,265.3	\$ 1,478.3
Other	\$ 15,115.9	\$ 11,900.5	\$ (3,215.4)
<u>Other Financing Uses</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Total	\$ 28,532.4	\$ 26,928.4	\$ (1,604.0)

FY17 Appropriation Request – INDEPENDENT LIVING

<u>Revenue</u>	FY16 Operating Budget	FY17 Appropriation Request	FY17 Rqst Over / (Under) FY16 OpBud
General Fund	\$ 1,284.1	\$ 1,284.1	\$ 0.0
Other Transfers	\$ 0.0	\$ 0.0	\$ 0.0
Federal Funds	\$ 256.1	\$ 256.1	\$ 0.0
Other Revenue	\$ 0.0	\$ 0.0	\$ 0.0
<u>Fund Balance</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Total	\$ 1,540.2	\$ 1,540.2	\$ 0.0

Expenditures

Pers Svs / Emp Bens	\$ 44.4	\$ 52.3	\$ 7.9
Contractual Services	\$ 0.0	\$ 1,480.0	\$ 1,480.0
Other	\$ 1,495.8	\$ 7.9	\$ (1,487.9)
<u>Other Financing Uses</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Total	\$ 1,540.2	\$ 1,540.2	\$ 0.0

FY17 Appropriation Request – DISABILITY DETERMINATION

<u>Revenue</u>	FY16 Operating Budget	FY17 Appropriation Request	FY17 Rqst Over / (Under) FY16 OpBud
General Fund	\$ 0.0	\$ 0.0	\$ 0.0
Other Transfers	\$ 0.0	\$ 0.0	\$ 0.0
Federal Funds	\$ 17,107.5	\$ 17,197.2	\$ 89.7
Other Revenue	\$ 0.0	\$ 0.0	\$ 0.0
<u>Fund Balance</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Total	\$ 17,107.5	\$ 17,197.2	\$ 89.7

Expenditures

Pers Svs / Emp Bens	\$ 6,331.6	\$ 6,335.0	\$ 3.4
Contractual Services	\$ 552.4	\$ 2,139.7	\$ 1,587.3
Other	\$ 10,223.5	\$ 8,722.5	\$ (1,501.0)
<u>Other Financing Uses</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Total	\$ 17,107.5	\$ 17,197.2	\$ 89.7

FY17 Appropriation Request ~ Base Increase

- DVR's FY17 General Fund request reflects an increase of \$876.0, consisting of:
 - \$410.0 in Other Costs to provide sufficient matching dollars for the full \$19.5 million federal Vocational Rehabilitation federal grant (in FY15, DVR's award was \$16.8 million);
 - \$466.0 in Other Costs to replace grant match funding previously provided by the Commission on the Deaf and Hard of Hearing (CDHH). (This revenue swap does not result in increased levels of services.)

FY17 Appropriation Request ~ Base Increase

- Under the Workforce Innovation and Opportunity Act (WIOA) of 2014, which re-authorized the Vocational Rehabilitation Grant Program, a new requirement was included in the law, where DVR and all states must spend 15% of its award, or \$2.9 million, on Pre-Employment Transition Services (PETS) for students and youth with disabilities.
- If sufficient General Fund match is appropriated to enable DVR to access the full grant award, DVR would be able to meet the 15% PETS requirement without having to reduce current services to adults with disabilities. If additional General Fund is not provided, DVR would likely have to implement a reduction of services to adults in order to meet the 15% set-aside requirement.

FY17 Appropriation Request ~ Grant Matching Requirements

- Under the DVR Vocational Rehabilitation Grant Program, the federal government pays 78.7% of the total costs, while the state pays 21.3% of the total. At present, DVR does not receive sufficient funding to match all of the federal funds available to the State:

- For Federal Fiscal Year 2015, which ended Sept. 30, 2015, the match requirement is:

Federal Award Amount (actual):	\$ 16,843.7
State Match Requirement:	\$ 4,558.7

- For Federal Fiscal Year 2016, which began Oct. 1, 2015, the match requirement is:

Federal Award Amount (projected):	\$ 19,500.0
State Match Requirement:	\$ 5,277.7*

* The FY16 appropriation of \$4,952.0 is not sufficient to match the federal amount available.

- For Federal Fiscal Year 2017, which begins Oct. 1, 2016, the match requirement is:

Federal Award Amount (projected):	\$ 19,500.0
State Match Requirement:	\$ 5,277.7

FY17 Appropriation Request ~ Grant Matching Requirements

- Additional amount required to match full federal grant award:

	<u>Requirement</u>	<u>Available*</u>	<u>Shortage</u>
Federal Fiscal Year 2016:			
Federal Award (projected):	\$ 19,500.0		
State Match Requirement:	\$ 5,277.7	\$4,952.0	\$325.6
Federal Fiscal Year 2017:			
Federal Award (projected):	\$ 19,500.0		
State Match Requirement:	\$ 5,277.7	\$5,284.9	\$ -0-

* Available amount shown for FFY17 presumes GF appropriation at DVR requested amount of \$5,284.9.

FY16 Supplemental Appropriation Request

- DVR is requesting a Supplemental Appropriation of \$325.6 to enable us to fully match the FFY16 Vocational Rehabilitation grant of \$19.5 million:
- The DVR General Fund appropriation has remained essentially flat since SFY10 and is insufficient to fully match the \$19.5 million federal Vocational Rehabilitation federal grant for FFY16.
- The projected FFY16 award amount represents an increase of \$2.6 million over the FFY15 award amount, therefore additional federal grant funds are available and additional matching funds are required.

FY17 Appropriation Request ~ Contracts

- The FY17 DVR appropriation Request includes some requested increases in the Contractual Services category:
 - \$191.3 in the Rehabilitation Services Program for independent hearing officers and legal assistance;
 - \$48.6 in the Disability Determination Program for IT support
- The FY17 DVR appropriation Request also re-classifies a total of \$4,300.7 from the 400s – Other Costs category to the 300s – Contractual Services category as follows:
 - \$1,282.0 in the Rehabilitation Services Program;
 - \$1,480.0 in the Independent Living Program;
 - \$1,538.7 in the Disability Determination Program